

BILLY J. WILLIAMS, OSB #901366
United States Attorney
District of Oregon
DONNA BRECKER MADDUX, OSB #023757
Donna.Maddux@usdoj.gov
Assistant United States Attorney
1000 SW Third Ave., Suite 600
Portland, OR 97204-2902
Telephone: (503) 727-1000
Attorneys for United States of America

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

UNITED STATES OF AMERICA

3:17-cr-00068-MO

v.

STIPULATIONS OF FACT

MICHAEL EDWARD BOWMAN,

Defendant.

The parties stipulate that the entire record of the 4-day trial beginning on August 13, 2019 is incorporated by reference into the record for the December 9, 2019 stipulated record/facts bench trial. The original trial record is included as part of the current trial record as marked Exhibits 48 – 51.

The parties further stipulate to the following facts:

1. Mr. Bowman registered his company, Vertical Works, with the Oregon Secretary of State's Corporation Division in 2008. (Exhibit 27).
2. Since at least 2008, Mr. Bowman, through Vertical Works, engaged in computer engineering work as an independent contractor. (Exhibit 1, 3 & 10).

Stipulations of Fact

Page 1

3. For calendar years 2011, 2012, 2013, and 2014, Mr. Bowman's total income as the sole proprietor of Vertical Works and his tax due and owing for each year are accurately reflected in Exhibit 24. In each year between 2011 and 2014, Mr. Bowman's gross income was at least \$90,000. In each year between 2011 and 2014, Mr. Bowman's tax due and owing was at least \$25,000.

4. Based on his income in calendar years 2011 - 2014, Michael Bowman was required to file a U.S. Individual Tax Return (Form 1040) for the calendar years ending on:

- a. December 31, 2011 (as to Count 2);
- b. December 31, 2012 (as to Count 3);
- c. December 31, 2013 (as to Count 4); and
- d. December 31, 2014 (as to Count 5). (Kristen Emminger testimony).

5. Mr. Bowman intentionally failed to file his U.S. Individual Tax Return (Form 1040) as required by Title 26 of the United States Code by:

- a. April 17, 2012 (as to Count 2);
- b. April 15, 2013 (as to Count 3);
- c. April 15, 2014 (as to Count 4); and
- d. April 15, 2015 (as to Count 5).

6. Mr. Bowman never filed a U.S. Individual Tax Return (Form 1040) for the 2011, 2012, 2013, or 2014 calendar years. (Exhibit 31).

7. Since at least 2003, Mr. Bowman has intentionally failed to file any U.S. Individual Tax Return (Form 1040). (Kristy Morgan testimony; Mr. Bowman testimony).

8. Mr. Bowman did file an accepted U.S. Individual Tax Return (Form 1040) in each year for calendar years 1990 – 1997. (Exhibit 30).

9. As early as 1990 and continuing through 2015, Mr. Bowman knew that federal tax laws imposed a duty on him to file his personal income taxes. (Mr. Bowman testimony, Jonathon Dittman testimony).

10. On May 13, 2005, following a hearing and briefings in *Bowman v. Department of Revenue* (Case #TC4691) the Oregon Tax Court rejected Mr. Bowman's claim for accommodation based on his assertion that filing and paying taxes interferes with his religious, moral, constitutional and statutory rights. (Exhibit 41). In an opinion letter, the court stated "[f]ederal law clearly establishes that a person's religious beliefs do not constitute a basis for avoiding the statutory obligation to comply with the tax code." (Exhibit 41, p.3). Mr. Bowman received and read this opinion letter.

11. On June 13, 2012, Oregon Department of Revenue Senior Tax Auditor David Armstrong responded in writing to a correspondence from Mr. Bowman. (Exhibit 40). In that correspondence, Mr. Armstrong tells Mr. Bowman that Mr. Bowman's belief that he is owed an accommodation based on his objection to government spending is "frivolous." Mr. Armstrong cites to Mr. Bowman's earlier Oregon Tax Court opinion letter, Supreme Court case law, and Ninth Circuit case law. (Exhibit 40). Mr. Bowman received and read this June 13th letter.

12. The Internal Revenue Service issued Mr. Bowman *Notice Letter 1862* on September 6, 2011 (Exhibit 34), November 13, 2012 (Exhibit 35), and February 18, 2014 (Exhibit 36). Each of these letters state: "[y]ou haven't responded to the previous letter(s) we sent requesting you to send us your federal income tax return" and "[i]f you do not provide the

information requested, or provide fraudulent information, we may charge you penalties, and in certain cases, you may be subject to criminal prosecution.”

Dated: December 5, 2019

Respectfully submitted,

BILLY J. WILLIAMS
United States Attorney

/s/ Donna Brecker Maddux
DONNA BRECKER MADDUX, OSB #023757
Assistant United States Attorney